

# member news



WORK SAFE BC

## **Update to Pension Benefits Standards Act changes of September 30, 2015—what you need to know**

On September 30, 2015, the *Pension Benefits Standards Act* was modernized. In the Member News dated September 24, 2015, we shared some of the ways the new legislation would affect you. Since then, there have been some clarifications to how the changes affect you and your pension.

### **What are the clarifications?**

#### ***Seniority/recall rights for laid-off members***

If you have been laid off and are on a seniority/recall list for a year without contributing to the plan, you retain your seniority/recall rights and remain eligible for a plan benefit. While you don't have to end your employment, your employer will end your plan membership after one year. We will then send you benefit options, which may include a commuted value, or an immediate or deferred pension. You do not need to select a benefit option at this time. If you take no action, your benefit will remain with the plan as a deferred pension. Before you make any important decisions about your benefit, we recommend you consider your potential future employment and seek advice from a qualified legal or financial advisor. To contribute to the plan again in the future, you'll have to requalify for plan enrolment. For details, see the **Pension Basics** section of the **Guide for Plan Members**.

If you are on a leave of absence, this doesn't affect you.

#### ***Definition of locked-in retirement vehicle***

If you choose a commuted value payment when your membership ends, you can now transfer the funds to a locked-in retirement vehicle. The terms "locked-in registered retirement savings plan" and "locked-in RRSP" will no longer be used. This change affects how your financial institution completes

our form to process the transfer of funds. You do not need to take any action now; this will be one of your choices when your membership ends. Before you make any important decisions about transferring funds, it is wise to seek advice from a qualified legal and/or financial advisor.

### ***Spousal waiver of beneficiary rights***

If you choose a single life pension option with a guarantee period at retirement, your spouse may be able to waive their beneficiary rights within the guarantee period if:

- your spouse is the beneficiary of your single life pension option,
- the guarantee period has not ended, and
- you are still alive.

Why do this? Your spouse's financial situation may change after you have chosen them as your beneficiary. This would allow you to choose another beneficiary(ies) for the remainder of the guarantee period who may need the financial support when you die.

As with any significant change, it is wise for you and your spouse to seek advice from a qualified legal and/or financial advisor before making the decision to waive beneficiary rights and choose a new beneficiary.

If you decide to change beneficiaries, your spouse should complete the new Form 2 *Spouse's waiver of entitlements* and you should complete a *Change of beneficiary* form. These forms are available on the plan website [worksafebc.pensionsbc.ca](http://worksafebc.pensionsbc.ca).

### **More information**

It's important that you understand how your pension works. For details on any of these changes, visit the **Publications** section on the plan website at [worksafebc.pensionsbc.ca](http://worksafebc.pensionsbc.ca), or contact the plan directly.

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